

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

August 8, 2006

«DecisionMakerName»  
«Delivery\_Info\_Address»  
«DecisionMakerDeliveryAddress»  
«DecisionMakerCity», «DecisionMakerState» «DecisionMakerZipCode»

Dear «DecisionMakerName»:

I am pleased to announce that the Natural Resources Conservation Service (NRCS) will allow 2004 and 2005 CSP contract participants to request changes to their contracts through modifications. Before proceeding, please be advised of the following.

- This decision is based on the President's proposed Fiscal Year (FY) 2007 budget.
- **There is no certainty of the FY 2007 CSP funding level, or the amount of funds that will be available for contract improvement modification approvals.**
- Constraints will be placed on the types of modification requests that will be accepted.
- It may be necessary for NRCS to reduce the payments on the modifications if the request for improvements to the contracts exceeds available funding.

2004 and 2005 CSP contract participants that meet the constraints identified below may request the following types of changes to their contracts between August 1, 2006 and September 15, 2006. Requests from FY 2004 and FY 2005 CSP contract participants for contract improvement modifications that are outside these constraints and types of modifications will not be accepted during this modification request period.

**Modification Type**

**Constraint**

|                                     |  |
|-------------------------------------|--|
| <b>Tier Transition *</b>            | Contract modifications will be allowed to advance tiers on the operating unit identified in the benchmark agricultural operation delineation and still under the participant's control. The addition of land identified in the benchmark agricultural operation that will not result in a transition from a Tier I contract to a Tier II or Tier III contract will not be allowed during this modification period. |
| <b>Adding Newly Acquired Land *</b> | For Tier III contracts and those contracts that are advancing to Tier III during this modification period, contract modifications will be allowed to add newly acquired land. A modification request to add newly acquired land will trigger the need to update<br>(continued)   |

|                            |   |
|----------------------------|---|
|                            | a participant's agricultural operation delineation to include all newly acquired agricultural land under their control. No newly acquired land will be added to Tier I or Tier II contracts during this modification period, unless they are advancing to Tier III.   |
| <b>Adding Enhancements</b> | For Tier III contracts and those contracts that are advancing to Tier III during this modification period, contract modifications will be allowed to add new enhancements that have been established, or that are planned for future application. No new enhancements will be added to Tier I or Tier II contracts that are not advancing to a Tier III contract during this modification period. |

\* - Any land added to a contract by modification (either land within the benchmark agricultural operation delineation of a Tier I contract advancing to a Tier II or Tier III contract, or newly acquired land) must meet:

- the minimum level treatment requirements in the sign-up announcement from the year the contract was approved, and
- the criteria for the lowest enrollment category funded during the sign-up when the contract was approved.

*Lowest Enrollment Categories from CSP Sign-ups  
2004 – Category H  
2005 – Category C*

These modification requests will be held as pending until the FY '07 budget level is known. NRCS will make decisions on modification approval based on the FY 2007 CSP funding level. Contract modifications, if approved, will not take effect until some time after October 1, 2006.

The payments for approved modifications will begin in FY 2007. If there is not enough available funding, the 2007 payments for the contract improvements will be reduced proportionally. This prorating to accommodate modification approvals will apply only to the FY 2007 year of CSP contract payments.

Participants who submit modification requests will be notified of the NRCS decision on their request. I appreciate your continued natural resource stewardship. Please contact me if I can be of further assistance.

Sincerely,

<Enter DC Name>  
DISTRICT CONSERVATIONIST

cc:  
NRCS Approving Official